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Country review report for Egypt*

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* The present report contains a summary of the findings of the review. The full text is available in the language of submission from the Executive Board secretariat.

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Introduction

1. In October and November 2000, the United Nations country team in Egypt embarked on a pioneering effort to review both the first UNDP country cooperation framework (CCF) and the UNFPA country programme for 1997 to 2001. Although the country review report (CRR) examined the programmes of both UNDP and UNFPA, this present paper contains only the summary recommendations and findings that pertain to UNDP and the actions agreed to by the Government and UNDP.

I. The national context

2. In the period preceding the first CCF, the economy was still adapting to the economic reform and structural adjustment programme that Egypt had embarked on in 1991. Since the beginning of the first CCF, however, there has been a significant improvement in the performance of the economy. The diligent and consistent implementation of the economic reform and structural adjustment programme by the Government was successful not only in stabilizing the economy in the first half of the 1990s but also in achieving real gross domestic product (GDP) growth rates of 5.7 per cent in 1998 and 6 per cent in 1999. At present, however, there are some concerns about the sustainability of economic performance. A slowdown of the economy at this time would affect not only the economic reform process. It could also hamper recent government initiatives on the social development front.

3. Social development has progressed at a slower pace than economic progress and presents many challenges. Significant disparities exist between and within governorates with regard to the access to and quality of education and health services and in terms of opportunities for effective participation in the growing economic activities. This has given rise to concerns about the need to plan for growth with equity. The number of new entrants to the labour market is estimated at more than 600 000 annually. The absorption of these new entrants is perhaps the country's paramount development challenge – especially in view of the serious variance between the quality/quantity skills mix of graduates, which the education and training systems are now producing, and the needs of the economy.

4. It is important to note that in the context of total Official Development Assistance (ODA) to Egypt – approximately $2 billion per year – the total contribution of all 22 United Nations organizations in Egypt ($50-55 million per year) is rather small. In comparison, the contribution alone of one bilateral donor, the United States Agency for International Development (USAID), is around $800 million per year. The profile of United Nations organizations in Egypt reflects the high esteem that the Government of Egypt accords to the United Nations. United Nations organizations are able, as a result, to achieve much greater impact relative to their share of ODA.

II. The country cooperation framework

5. In line with the development objectives of the Government, UNDP interventions support four broad programme areas: (a) poverty eradication and sustainable livelihoods; (b) protection of the environment and sustainable use of natural resources; (c) promotion of sound governance; and (d) the advancement of women as a cross-cutting concern.

6. The review team has observed that a strong sense of partnership exists between the Government and UNDP. The high level of government support for UNDP programme activities is reflected in the level of government cost-sharing contributions for these activities. These contributions have supported 61.2 percent of the total planned expenditures of just over $104 million in the first CCF. For the Government, however, diminishing UNDP core resources has become a matter of concern. The review team pointed out that in order to maintain the current level of programme delivery – financed by government cost-sharing – UNDP will need to maintain an acceptable critical mass of support for Egypt from its core resources. It recommended that the country office should pursue resource mobilization more aggressively from bilateral donors and the private sector and that the Government should encourage donors to lend their full support to the common country assessment (CCA) and the United Nations Development Asistance Framework (UNDAF).

7. Although there has been no significant change in the focus of the CCF during the current programming period, the country office has made a concerted effort to enhance its policy and advocacy role and to provide a strategic focus for its programme activities. The review team noted that UNDP policy and advocacy efforts have had significant success in raising the profile of human development issues and concerns. The review team recognized the dual thrust of the country office mission statement: advocacy of sustainable human development policies and provision of support to operational activities of the Government. The review team, however, noted that some difficulty could arise when trying to achieve a strategic balance in the utilization of limited available UNDP core resources for these two areas of intervention.

8. To enhance its policy and advocacy role and to provide a strategic focus for its programme activities, the country office had reorganized current CCF support under four programme teams: policy/advocacy, governance, environment and job creation. The review team noted that these programming areas remain relevant for the next CCF, not only because each area covers such a broad range of activities but also because they reflect the country's national development priorities. The review team recommended that in order to provide greater coherence and a framework for its activities in each thematic area, the country office should consider developing operational guidelines that outline the thematic and strategic focus of each area, when preparing the second CCF.

III. Programme performance

9. Appraisal of programme performance focused on the the four priority areas of the first CCF. The total resource framework (actual/planned expenditure) for 1997 to 2001 amounted to $104 million. The following provides summaries of the conclusions and corresponding recommendations of the review team and the actions which the Government and UNDP have agreed to take.

A. Poverty eradication and sustainable livelihoods

Findings

10. Progress to develop a specific national strategy to eradicate poverty has been very slow, owing mainly to the holistic view by the Government that poverty eradication is an integral part of social development and should therefore not be

treated as a separate issue. UNDP upstream policy advocacy efforts, however, have achieved significant successes in moving the social development agenda forward by supporting a high-level national conference on social development, which both the President and the Prime Minister addressed. In addition to its contributions to the national debate on social development, UNDP has also contributed to the formulation of national policies to reduce poverty and advance social development issues through the Egypt human development reports (EHDRs). Issues such as social spending, education and poverty have all been the subjects of thorough review and analysis by previous editions of the EHDR. UNDP has also organized high-level policy seminars on poverty-related issues, including solid waste management, human resource development and water. UNDP is currently supporting the preparation of a national employment programme, of which a significant component is the education and skills enhancment of girls and women to facilitate their entry to the labour market.

11. Alongside its upstream advocacy efforts, UNDP has supported downstream pilot activities aimed at reducing poverty and creating sustainable livelihoods. Given the tight resource constraints, contrasted with the country's large scale social and poverty problems, it is unreasonable to expect the CCF to have a clear direct impact on basic needs and socio-economic disparities. Rather than attempting to achieve direct impact alone, UNDP has used its limited target for resource assignment from the core (TRAC) funds to leverage considerable donor and government resources to reduce poverty through the Social Fund for Development.

Recommendations

12. In light of the size of UNDP programme support, relative to the magnitude of social and poverty problems in Egypt, rather than attempting to achieve direct impact alone, UNDP should aim to attack poverty through upstream interventions that have considerable multiplier effects, such as advocacy efforts, and by supporting innovative pilot activities which could be replicated to address poverty on a large scale.

Agreed action

13. Both the Government and UNDP agree with this recommendation and will seek to ensure that new UNDP projects conform with its spirit during project design, approval and implementation phases. Future UNDP support will also aim to advocate and translate the recently adopted national strategy for social development into concrete action plans and promote decent work opportunities for the large and growing numbers of unemployed youth.

B. Promotion of sound governance

Findings

14. Since the beginning of the first CCF, the country office has made a serious attempt to focus its activities by creating a thematic governance programme group. The challenge of ensuring a strategic balance between policy and advocacy activities and support for operational activities is one of the central tasks of this group. The main reason is that UNDP support for operational activities is not likely to conform to any established strategic framework, particularly if such requests for support include government cost-sharing at close to full costs.

15. The importance of participatory, decentralized, people-centred planning is now recognized in the Government as an important element for achieving balanced development among the governorates. The Government has launched a number of initiatives to incorporate participatory, decentralized, people-centred development methodologies and to develop the necessary mapping data through graphic information ystems (GIS) and other means. UNDP-supported projects have played an important role in the implementation of these initiatives. The organization has also been successful in building partnerships and in gaining the trust of the Government, which has enabled it to introduce new initiatives on issues concerning human rights and de-mining.

Recommendations

16. The degree of trust that the Government has in UNDP is reflected in the extensive use of UNDP projects providing operational support to key institutions to fill critical capacity gaps by setting up "technical units" in key areas. Filling these gaps is important for the Government because it helps to maintain the steady implementation of broad reforms and the development agenda. While this "fast track" process to fill critical capacity gaps is essential and deserving of UNDP support, the organization must ensure through its policy and advocacy role that the objective of achieving long-term and sustainable reforms – crucial for restructuring and builing the capacities of these institutions – does not lose momentum.

Agreed action

17. Capacity-building should be integrated as a core component and activity in all technical units established by UNDP in key ministries. In the second CCF, UNDP has agreed, with government endorsement, to focus its support on governance and institutional development in the following areas: decentralization, participatory development and planning, and local administration; capacity-building support for the three branches of government (executive, legislative and judiciary) and electoral reform); technical assistance for economic and financial management; harnessing science and technology for development; and human rights.

C. Environmental protection and natural resource sustainability

Findings

18. UNDP support has managed to cover the core of environmental problems in Egypt, by addressing both environmental management mechanisms and key environmental issues. In the area of environmental management, UNDP supported the creation of a policy unit to strengthen the capacity of the Egyptian Environmental Affairs Agency (EEAA) and the Ministry of State for the Environment; the reformulation of the national environmental action plan (NEAP); and the preparation of initial national communication on climate change. At the micro-level, UNDP support covered a wide range of activities, including: climate change, biodiversity, international waters, and protection of the ozone layer.

19. UNDP launched the Local Initiative Facility for Urban Environment (LIFE) as a global pilot programme in 1992. The primary objective was to promote and demonstrate local-local dialogue and community-based solutions to the environmental problems in poor areas and to help to influence practices and policies. To demonstrate local solutions to urban environmental problems, strengthen

partnerships and influence polices, LIFE developed a three-stage approach: upstream-downstream-upstream, which uses local-local dialogue to create partnerships to address environmental problems of the urban poor. In Egypt, UNDP support has helped to strengthen civil society by supporting environmental non-governmental organizations (NGOs) and their involvement in the formulation of the NEAP. LIFE projects have also succeeded in mainstreaming gender at the project formulation stage. A participatory approach has also been adopted in the formulation/preparation of the NEAP.

Recommendations

20. Consideration should be given to some consolidation of environmental projects in order to maximize the impact of limited available resources and to strengthen linkages with other relevant efforts aimed at poverty and population issues.

Agreed action

21. The environment programme represents approximately 26 per cent of UNDP total resources for the current programming period, which is in the magnitude of US$37.8 million. It is worth mentioning that the modest amount of 4.5 per cent of these funds are from TRAC, as opposed to the large amount of 95.5 per cent from central funds, including the Global Environment Facility (GEF), the Montreal Protocol, Capacity 21 and government cost sharing. More linkages, however, will be established to maximize the impact of environmental projects on other sectors of the economy, focusing on population and poverty. In the meantime, attention should be given to projects such as the UNDP-GEF Small Grants Programme, which supports community participation in implementing small-scale environmental projects to achieve local benefits that have a direct impact on poverty alleviation, health-risk reduction and local environmental degradation. Another example is the Lake Manzala Engineered Wetland Project, which demonstrates a low-cost technique for wastewater treatment that would ultimately be used in fish farming. In response to the recommendation made, linkages will be established between the Social Fund for Development, which will provide assistance, and small enterprises tied to the fish farming industry.

D. Advancement of women as a cross-cutting issue

Findings

22. UNDP was one of the first organizations to realize the need for gender-mainstreaming in development in Egypt. It initiated a number of projects aimed at gender-mainstreaming and the advancement of women covering a wide range of issues. To increase women's access to credit and to enhance their political participation as voters, UNDP commenced a pilot project to provide poor women with identification cards in the Ismailia governorate. UNDP also collaborated in developing a gender information kit, preparing the national NGO shadow report on the follow-up to the Beijing Declaration and Platform for Action, organizing a national seminar on women in leadership positions, upgrading women's health centres in two villages, and providing supporting to the National Council for Women (NCW) under a joint United Nations umbrella programme, encompassing UNFPA, the United Nations Children's Fund (UNICEF) and the United Nations Development Fund for Women (UNIFEM).

Recommendations

23. Cross-cutting themes such as gender should be mainstreamed in the formulation and implementation of UNDP projects. This has been done in some projects, such as the environment management plan, but needs to be generalized. UNDP should consider instituting a central monitoring mechanism to ensure that such cross-cutting themes are applied across the board in the formulation and implementation of all projects.

Agreed action

24. Gender should be integrated in strategic guidelines prepared by UNDP programme teams prior to the beginning of the second CCF. The UNDP policy unit, together with the gender focal point, will also serve as the central monitoring mechanism to ensure that cross-cutting themes are applied across the board in the formulation and implementation of all projects. Within the framework of the Beijing Platform for Action, UNDP plans to continue to support the NCW in finalizing the national plan for the advancement of women and in mainstreaming gender in UNDP programmes and national development plans. UNDP will also advocate the political empowerment of women heads of households and enhance reproductive health services for women.

IV. UNDP support to the United Nations

Findings

25. In 1999, the United Nations organizations in Egypt took the initiative to respond to General Assembly resolutions which called for enhanced coherence and effectiveness of the operational activities of United Nations organizations. It began a process to harmonize the programme formulation, joint monitoring and evaluation of the country programmes of United Nations organizations in Egypt. As part of this initiative, an inter-agency effort, under the umbrella of the resident coordinator, was launched to prepare a CCA in seven thematic areas led by UNICEF, and an UNDAF for Egypt led by UNFPA.

26. This first attempt at conducting a joint mid-term review of the first CCF and the UNFPA country programme is a step further in the process of enhancing United Nations programme coherence and effectiveness. It is important that this United Nations country team effort is not hindered by the perceived and/or actual bottlenecks attributed to policies, rules, regulations and procedures of Headquarters and/or governing bodies of these institutions. It is worth noting that a separate report, Conducting a joint country review of United Nations organizations in Egypt: issues and recommendations, was also prepared by the review team. The report outlined the issues, procedures and practices behind country reviews as conducted by the five participating United Nations organizations (United Nations Office for Drug Control and Crime Prevention (ODCCP), UNDP, UNFPA, UNICEF and the World Food Programme (WFP)). The report also made recommendations concerning the next steps to be taken by the United Nations country team to facilitate such a joint country review. The full text of this report is also available with the Executive Board Secretariat.

Recommendations

27. To provide an effective monitoring and coordination mechanism for UNDAF, annual and mid-term reviews of its implementation are recommended for the next programming period of United Nations organizations. At these reviews, chaired by the resident coordinator and the Ministry of Foreign Affairs, on behalf of the Government, each United Nations organization and participating ministries and agencies should present a "report card" on progress achieved and constraints experienced in meeting the goals of the assistance programme. The participation of all United Nations organizations in Egypt and their counterpart ministries and agencies in the Government could provide valuable feedback on: (a) overlaps between United Nations organizations and among ministries and agencies; (b) areas where progress is lagging; and (c) identifying bottlenecks and potential solutions.

Agreed action

28. At least one annual review meeting to assess progress on the implementation of UNDAF will be convened and co-chaired by the resident coordinator and the Ministry of Foreign Affairs, on behalf of the Government. As custodian of the resident coordinator function, UNDP will ensure that proper coordination arrangements within the resident coordinator system are in place. Doing so will facilitate the monitoring of the implementation of UNDAF and maximize the outcomes from the annual review meeting.

Annex

Financial summary

Country: Egypt
CCF period: 1997-2001
Period covered by the country review: January 1997-November 2000

Regular resources	*Amount assigned for the CCF*[a]	*Amount planned for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Estimated IPF carry-over	950	950	950
TRAC 1.1.1 and TRAC 1.1.2 (66.7 per cent of TRAC 1.1.1)	23 893	15 598	13 294
TRAC 1.1.3	–	–	–
Other resources	–	–	–
SPPD/STS	452	907	688
Subtotal	**25 295**	**17 455**	**14 932**

Other resources	*Amount targeted for the CCF*[b]	*Amount mobilized for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Government cost-sharing	36 800	45 950	44 266
Third party cost-sharing	3 351	9 400	4 073
Funds, trust funds and other:	29 475	10 340	7 067
MDGD	300	–	–
Arab Poverty Fund	475	–	–
GEF	16 000	6 400	4 215
Capacity 21	700	554	461
Montreal Protocol	12 000	3 386	2 391
Subtotal	**69 626**	**65 690**	**55 406**
Grand total	**94 921**	**83 145**	**70 338**

[a] Prorated for the period under review.
[b] Prorated for the period under review.
Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; MDGD = Management Development and Governance Division; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNCDF = United Nations Capital Development Fund; UNIFEM = United Nations Development Fund for Women; UNSO = Office to Combat Desertification and Drought; UNV = United Nations Volunteers.